LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301 Indianapolis, IN 46204 (317) 233-0696 http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 7789 NOTE PREPARED: Jan 18, 2007

BILL NUMBER: HB 1821 BILL AMENDED:

SUBJECT: Licensure of Occupational Therapists.

FIRST AUTHOR: Rep. Klinker BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State

DEDICATED FEDERAL

<u>Summary of Legislation:</u> *Licensure of Occupational Therapists*- The bill requires the licensure of occupational therapists and occupational therapy assistants (current law requires certification).

Physician Referral- The bill requires a physician to refer a patient to an occupational therapist before the patient may receive services except in specified circumstances.

Rules- The bill requires the Occupational Therapy Committee to propose rules to the Medical Licensing Board (the Board) concerning the continuing competency requirements for the renewal of an occupational therapy license. The bill requires the Board to: (1) adopt rules that are necessary to distinguish between the practice of physical therapy and the practice of occupational therapy; and (2) approve a nationally recognized examination for occupational therapy licensure and establish the passing score needed to obtain a license.

Temporary Licenses- The bill specifies when a temporary occupational therapy license expires.

Effective Date: July 1, 2007.

Explanation of State Expenditures: Licensure of Occupational Therapists- Licensing occupational therapists would present minimal impact to state expenditures, with respect to administration. The bill would allow active occupational therapist and assistant certifications to be grandfathered to licenses on July 1, 2007. The Professional Licensing Agency would not have to send pocket cards and wall licenses to grandfathered practitioners until the occupational therapist licensing renewal period beginning December 1, 2007. Applications (state form 43826) would have to be amended to reflect the change from certification to licensure. However, the current application is readily available online at the Professional Licensing Agency's

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website. Therefore, printing expense for new applications should be minimal.

Rules- If the Board required additional meetings to adopt the rules required by the bill, additional expenditures would be required to cover member per diem and travel expenses. The Board is scheduled to meet 11 times in 2007.

Explanation of State Revenues: Licensure of Occupational Therapists- The bill does not specify that existing fees for occupational therapist certification would be changed for licensing. Any fee changes that could result from this bill would be determined by rule. It is possible that continuing competency could initially reduce the number of license renewals. If fewer licenses are issued, then fee increases could be necessary to maintain current revenue levels.

Background- Current certification and renewal fees for occupational therapists are \$100. Renewals occur biennially. Over the FY 2002-2003 biennium approximately \$338,300 in revenue was collected from fees. During the FY 2004-2005 biennium approximately \$377,700 in fees were collected. FY 2006 fees totaled \$47,270.

The Professional Licensing Agency reports there were 2,543 occupational therapists and 896 occupational therapist assistants with active certifications as of December 2006. Bureau of Labor Statistics employment data indicates, as of May 2005, there were about 2,740 occupational therapists and assistants employed in Indiana.

Temporary Licenses- The bill would place the time limit on temporary licenses at 180 days. As of December 2006, there were 138 active occupational therapy temporary permits (including assistants).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Medical Licensing Board, Occupational Therapist Committee.

Local Agencies Affected:

<u>Information Sources:</u> Professional Licensing Agency, U.S. Bureau of Labor Statistics, *Indiana Handbook of Taxes, Revenues, and Appropriations*.

Fiscal Analyst: Chris Baker, 317-232-9851.

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